

#### § 925.4

#### 12 CFR Ch. IX (1–1–04 Edition)

The Bank may delegate the authority to approve membership applications only to a committee of the Bank's board of directors, the Bank president, or a senior officer who reports directly to the Bank president other than an officer with responsibility for business development.

(b) *Decision resolution.* For each applicant, the Bank shall prepare a written resolution duly adopted by the Bank's board of directors, by a committee of the board of directors, or by an officer with delegated authority to approve membership applications. The decision resolution shall state:

(1) That the statements in the digest are accurate to the best of the Bank's knowledge, and are based on a diligent and comprehensive review of all available information identified in the digest; and

(2) The Bank's decision and the reasons therefor. Decisions to approve an application should state specifically that: the applicant is authorized under the laws of the United States and the laws of the appropriate state to become a member of, purchase stock in, do business with, and maintain deposits in, the Bank to which the applicant has applied; and the applicant meets all of the membership eligibility criteria of the Act and this part.

(c) *Action on applications.* The Bank shall act on an application within 60 calendar days of the date the Bank deems the application to be complete. An application is "complete" when a Bank has obtained all the information required by this part, and any other information the Bank deems necessary, to process the application. If an application that was deemed complete subsequently is deemed incomplete because the Bank determines during the review process that additional information is necessary to process the application, the Bank may stop the 60-day clock until the application again is deemed complete, and then resume the clock where it left off. The Bank shall notify an applicant in writing when its application is deemed by the Bank to be complete, and shall maintain a copy of such letter in the applicant's membership file. The Bank shall notify an applicant if the 60-day clock is stopped, and when the clock is resumed, and

shall maintain a written record of such notifications in the applicant's membership file. Within 3 business days of a Bank's decision on an application, the Bank shall provide the applicant and the Finance Board's Secretary to the Board with a copy of the Bank's decision resolution.

(The information collection requirements contained in this section have been approved by the Office of Management and Budget under control number 3069-0004)

[61 FR 42543, Aug. 16, 1996, as amended at 63 FR 40023, July 27, 1998; 65 FR 8261, Feb. 18, 2000; 67 FR 12848, Mar. 20, 2002]

#### § 925.4 Automatic membership.

(a) *Automatic membership for certain charter conversions.* An insured depository institution member that converts from one charter type to another automatically shall become a member of the Bank of which the converting institution was a member on the effective date of such conversion, provided that the converting institution continues to be an insured depository institution and the assets of the institution immediately before and immediately after the conversion are not materially different. In such case, all relationships existing between the member and the Bank at the time of such conversion may continue.

(b) *Automatic membership for transfers.* Any member whose membership is transferred pursuant to § 925.18(d) of this part automatically shall become a member of the Bank to which it transfers.

(c) *Automatic membership, in the Bank's discretion, for certain consolidations.* (1) If a member institution (or institutions) and a nonmember institution are consolidated and the consolidated institution has its principal place of business in a state in the same Bank district as the disappearing institution (or institutions), and the consolidated institution will operate under the charter of the nonmember institution, on the effective date of the consolidation, the consolidated institution may, in the discretion of the Bank of which the disappearing institution (or institutions) was a member immediately prior to the effective date of the consolidation, automatically become a member of such Bank upon the

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purchase of stock in that Bank pursuant to § 925.20, provided that:

(i) 90 percent or more of the total assets of the consolidated institution are derived from the total assets of the disappearing member institution (or institutions); and

(ii) The consolidated institution provides written notice to such Bank, within 60 calendar days after the effective date of the consolidation, that it desires to be a member of the Bank.

(2) The provisions of § 925.25(b)(4)(i) shall apply, and upon approval of automatic membership by the Bank, the provisions of §§ 925.24(c) and (d) shall apply.

[61 FR 42543, Aug. 16, 1996, as amended at 63 FR 40024, July 27, 1998; 65 FR 8261, Feb. 18, 2000; 65 FR 13870, Mar. 15, 2000; 67 FR 12848, Mar. 20, 2002]

### § 925.5 Appeals.

(a) *Appeals by applicants*—(1) *Filing procedure*. Within 90 calendar days of the date of a Bank's decision to deny an application for membership, the applicant may file a written appeal of the decision with the Finance Board.

(2) *Documents*. The applicant's appeal shall be addressed to the Secretary to the Board, Federal Housing Finance Board, 1777 F Street, NW., Washington, DC 20006, with a copy to the Bank, and shall include the following documents:

(i) *Bank's decision resolution*. A copy of the Bank's decision resolution; and

(ii) *Basis for appeal*. A statement of the basis for the appeal by the applicant with sufficient facts, information, analysis and explanation to rebut any applicable presumptions and otherwise support the applicant's position.

(b) *Record for appeal*—(1) *Copy of membership file*. Upon receiving a copy of an appeal, the Bank whose action has been appealed (appellee Bank) shall provide the Finance Board with a copy of the applicant's complete membership file. Until the Finance Board resolves the appeal, the appellee Bank shall supplement the materials provided to the Finance Board as any new materials are received.

(2) *Additional information*. The Finance Board may request additional information or further supporting arguments from the appellant, the appellee

Bank or any other party that the Finance Board deems appropriate.

(c) *Deciding appeals*. The Finance Board shall consider the record for appeal described in paragraph (b) of this section and shall resolve the appeal based on the requirements of the Act and this part within 90 calendar days of the date the appeal is filed with the Finance Board. In deciding the appeal, the Finance Board shall apply the presumptions in this part, unless the appellant or appellee Bank presents evidence to rebut a presumption as provided in § 925.17 of this part.

(The information collection requirements contained in this section have been approved by the Office of Management and Budget under control number 3069-0004)

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### Subpart C—Eligibility Requirements

SOURCE: 61 FR 42545, Aug. 16, 1996, unless otherwise noted.

### § 925.6 General eligibility requirements.

(a) *Requirements*. Any building and loan association, savings and loan association, cooperative bank, homestead association, insurance company, savings bank, or insured depository institution, upon application satisfying all of the requirements of the Act and this part, shall be eligible to become a member of a Bank if:

(1) It is duly organized under the laws of any State or of the United States;

(2) It is subject to inspection and regulation under the banking laws, or under similar laws, of any State or of the United States;

(3) It makes long-term home mortgage loans;

(4) Its financial condition is such that advances may be safely made to it;

(5) The character of its management is consistent with sound and economical home financing; and

(6) Its home financing policy is consistent with sound and economical home financing.

(b) *Additional eligibility requirement for insured depository institutions other than*